

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

November 15, 2001

Chairman Gibbs presided. Present: members Clancy; Parker; Sparrow; Teer; Toler and Winston. Absent: member Lane. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Director, Customer Service & Organizational Support Damiano; Director, Major Capital Improvements Program Powell; Deputy Director, Finance, Business & Administration Gill; Deputy Director, Facilities Engineering & Maintenance Pittman; Emergency Services Manager Thompson; Director of Administration Umphrey; Senior Program Manager Edmondson; Program Manager Quesenberry; Program Manager Cayton; Environmental Manager Gilkinson; Facilities Engineering Manager Jewett; Training Supervisor Bell; Training Officer Harleston; Parking Manager White; Maintenance Manager Fulp; Public Transportation Supervisor Kiser; Finance Manager Barritt; Properties & Insurance Officer Quinn; Noise Officer Tovar; Accountant Marion; Accounting Technician Schick; Law Enforcement Manager Waters; Assistant Law Enforcement Manager Tippet; Website Administrator Geoffre; Operations Manager Nelson; Purchasing Officer Thompson; Purchasing Assistant Edwards; Payroll/Benefits Technician Duncan; Law Enforcement Officer Cochran; Environmental/Noise Technician Rebar; Administrative Assistant Gray; Executive Assistant Mitchell; Attorney Richardson and Attorney Tatum.

Guests: Randall Billings, Billings & Associates; Vicki Hyman, The News & Observer; Jennifer Barron, WTVD-TV; Amy Hatcher, Globe Aviation Services, Inc.; and Reverend Dennis Stiles.

APPROVAL OF AGENDA – There were no changes or additions to the agenda, and it was approved as submitted.

APPROVALS OF MINUTES – There were no changes to the minutes of the October 18, 2001 meeting, and they were approved as submitted.

CHAIRMAN'S COMMENTS – Chairman Gibbs had no comments at this time.

LAW, FINANCE & PERSONNEL COMMITTEE – Member Winston reported the Committee met on November 15, 2001 and discussed the following item:

1. *Receipt of a report from and consideration of recommendations made by Billings & Associates on adjustments in the compensation levels associated with certain staff positions.* Mr. Billings reported the results of his analysis of all of the Authority's staff positions below the Division Director level to determine if each position is assigned to the appropriate grade level of the pay schedule. His recommendations were based on the work being performed, the relationship of the position to other Authority positions, and salary data from the local governments in Durham and Wake Counties. The only positions not included in the study were those of the Airport Director; Deputy Director, Operations; Deputy Director, Finance, Business & Administration; Deputy Director, Facilities Engineering & Maintenance; Director, Major Capital Improvements Program; and Director, Customer Service & Organizational Support. The work performed by Billings & Associates is a comprehensive and continuing approach the Authority uses to ensure that staff position pay levels are properly structured. All employees were asked to

complete or update a position description questionnaire providing information on the work being performed. In addition, interviews with 31 employees were held to clarify or obtain additional information. Interviews were then held with department heads to discuss important issues such as recruitment problems or “points of emphasis” within each department. Recommendations were formulated for each position based on analysis of the scope of work and the labor market data. The recommendations impact 40 position classifications (44%) and 79 employees (39%). The total cost of implementing the study is \$95,344.11, which represents an increase of 1.27% of current salaries. Implementation of the recommendations is based upon the principle that current employees will receive the greater of one step (approximately 2.5%) per pay grade increase, with a maximum increase of three steps (approximately 7.5%), or to the minimum salary of the new grade. The Committee recommended approval of the assignment of Classes to Grades, to become effective January 1, 2002.

Member Winston made a motion, seconded by Member Parker, to approve the assignment of Classes to Grades, to become effective January 1, 2002. Adopted.

LAND & DEVELOPMENT COMMITTEE – Member Teer reported the Committee met on November 15, 2001 and discussed the following items:

1. *Presentation of Plans by Southern Jet to construct an Aircraft Maintenance Hangar & Equipment Maintenance Shop on W. International Drive between the Ram Air Freight and NCDOT Division of Aviation hangars.* Facilities Engineering Manager Jewitt introduced Steve Saieed of Saieed Construction Systems Corporation, which is assisting in the planning and construction of the aircraft maintenance hangar and equipment maintenance facility to be occupied by Southern Jet. Examples of interior décor and exterior siding materials were displayed. The hangar will measure 100 x 160 feet with flanking attached avionics and ground service equipment maintenance sections. The facility is designed as a single structure with firewalls separating the three sections. The Committee recommended approval of the proposal in concept.
2. *Consideration of an Amendment to the Agreement with HNTB North Carolina, PC for engineering and other professional services for Phase 3 of North Ramp General Aviation Area Redevelopment, RDU #080339.* Deputy Director, Facilities Engineering & Maintenance Pittman reported on Amendment No. 14 to the Agreement with HNTB North Carolina, PC for work on the North Ramp General Aviation Area Redevelopment. The Amendment authorizes design services from preliminary through final design and bidding services for the third phase of the project. This is the final phase and will involve demolition of remaining FBO structures, completion of the aircraft parking ramp, and taxiway rehabilitation east of the ramp. The cost of the services covered by this Amendment is 5.1% of the construction budget and over \$146,000 less than the amount originally budgeted for this work. Maximum compensation to the Engineer for services authorized for Phase 3 of the project will be \$640,000. Maximum compensation to the Engineer for services authorized by the Agreement including Amendments 1 through 14 will be increased by \$640,000 from \$3,889,801 to \$4,529,801. The Committee recommended approval of the Amendment to the Agreement with HNTB North Carolina,

PC for engineering and other professional services for Phase 3 of the North Ramp General Aviation Area Redevelopment.

3. Consideration of a Change Order with R.N. Rouse & Company, Inc. for New Authority Maintenance Facility, RDU #080379. Senior Program Manager Edmondson reported on the Change Order with R.N. Rouse & Company for additional construction at the new Authority Maintenance Building. The Change Order authorizes additional asphalt paving and curb and gutter work in order to expand the area available for storage of vehicles and equipment. A 10-inch layer of stone covering a 70,000-square foot area of the facility site now provides parking for vehicles and equipment. The Change Order will add asphalt paving and concrete curb and gutter to this area to provide a more durable surface. Funds are available in the project budget. The amount of the Change Order is still under negotiation, but is expected to be approximately \$159,527. The Committee recommended approval of the Change Order with R.N. Rouse & Company, Inc. for additional construction at the new Authority Maintenance Building, in an amount not to exceed \$159,527.

4. Report on discussions regarding possible accelerated completion of Parking Garage IV/Airline Cargo & Warehouse Buildings, RDU #070319. Program Manager Quesenberry advised the Committee that staff and the construction manager, Hanscomb, have been investigating the potential for entering into a change order with Archer-Western, the general contractor, to accelerate completion of Parking Garage IV in light of recent changes in Airport activity. The change order would eliminate the scheduled interim completion date in late 2002 for a portion of the garage and accelerate completion of the entire garage by approximately one year, from late 2004 to late 2003. The acceleration would be accomplished by building the facility in one phase instead of the current two-phase approach required by the contract. Discussions to date have resulted in several possible scenarios as to the specifics on how to accomplish accelerated completion of the garage. Each of the scenarios is time sensitive and would need to be implemented quickly in order to achieve completion prior to the end of 2003. Staff anticipates no increase in the net cost of the project due to the accelerated completion; however, there would be an increase in the cost of some project elements and a decrease in the cost of other elements. The Committee expects a change order for the accelerated completion to be presented for consideration at its December meeting. The Committee received the report on accelerated completion of Parking Garage IV; no further action was required.

Member Teer made a motion, seconded by Member Parker, to approve the recommendations of the Land & Development Committee. Adopted.

GROUND ACCESS COMMITTEE – Member Clancy reported the Committee met on November 15, 2001 and discussed the following item:

1. Consideration of a staff recommendation for selection of a consultant to provide professional services for the Airport Rail Link Study, a joint study of the Airport Authority and the Triangle Transit Authority. Major Capital Improvement Program Director Powell reported that a selection committee composed of Airport Authority and

Triangle Transit Authority (TTA) staff reviewed the proposals received by the TTA for the services. The committee met on October 31 and prepared a short list of firms for further consideration and interviews. Interviews with the short-listed firms were conducted at the Authority administrative offices on November 7 and 8. At this time, the Committee has not completed formulating a recommendation on the selected firm. A recommendation should be available for consideration at the December meeting.

NOISE RULE REPORT – Noise Officer Tovar reported that during the third quarter of 2001 none of the three air carriers that received noise allocations exceeded those allocations. In addition, none of the 20 air carriers that have not been granted a noise allocation exceeded the threshold noise level.

MEMBER COMMENTS/REPORTS – Member Toler reported he recently inspected all of the restrooms in Terminal C and several in Terminal A. He thanked Airport Director Brantley, Deputy Director Shackelford, Operations Manager Nelson and American Airlines Station Manager Ken Privett for their time and effort in coordinating the tour. As a result of the tour, he will be following up on the issues of restroom maintenance and cleanliness. He was very pleased with the appearance and design of the newly constructed restrooms on the Terminal A south concourse. He had the opportunity to meet RDU's new explosives detection canine. He met several members of the National Guard contingent as well. He observed the camaraderie of the Airport workers and the sense of team here at the Authority and remarked this is very good for the board members and the staff. He will be offering assistance in the terminals the Wednesday before Thanksgiving, and he invited the other board members to join him.

Member Parker thanked Deputy Director, Finance, Business & Administration Gill, Administration Director Umphrey, and Major Capital Improvements Program Director Powell for their assistance in a recent presentation to the Durham County Board of Commissioners. They did an excellent job of demonstrating how well the Airport is managed and operated. Member Parker thanked Mr. Billings for his work on the Classification Study and thanked the board for approving the assignment of Classes to Grades.

GENERAL COUNSEL'S REPORT – Attorney Tatum reported he had no update on the reorganization or resumption of operation of Midway Airlines. He was informed late yesterday that there exists the possibility that Midway may receive some federal funding. All creditors have cooperated in allowing Midway the have the opportunity to receive funding. They have waived rights with respect to grant funds and have encouraged Midway to move forward with reorganization. Attorney Tatum requested a motion to go into Executive Session for the purposes of discussing a legal matter and a personnel matter.

Attorney Tatum introduced his associate, Attorney DeAnn Richardson. Attorney Richardson has been working at the Authority two days a week since September 2001.

AIRPORT DIRECTOR'S REPORT –

United Airlines has not reported its activity data for October 2001; therefore, its traffic is not included in this month's report:

- Enplaned passengers for October 2001 totaled 296,542 versus 462,588 for October 2000 for a 35.9% decrease. Year-to-date 2001 enplaned passengers totaled 4,156,977 versus 4,311,864 for year-to-date 2000 for a 3.6% decrease.

- Deplaned passengers for October 2001 totaled 295,554 versus 466,001 for October 2000 for a 36.6% decrease. Year-to-date 2001 deplaned passengers totaled 4,162,588 versus 4,352,032 for year-to-date 2000 for a 4.4% decrease.
- Enplaned air cargo for October 2001 totaled 8,976,514 pounds versus 11,742,606 pounds for October 2000 for a 23.6% decrease. Year-to-date 2001 enplaned air cargo totaled 100,304,206 pounds versus 107,801,529 pounds for year-to-date 2000 for a 7.0% decrease.
- Deplaned air cargo for October 2001 totaled 11,324,200 pounds versus 11,939,576 pounds for October 2000 for a 5.2% decrease. Year-to-date 2001 deplaned air cargo totaled 105,694,878 pounds versus 112,331,800 pounds for year-to-date 2000 for a 5.9% decrease.
- Weekday scheduled flight departures for October 2001 totaled 185 versus 300 for October 2000 for a 38.3% decrease.
- Aircraft operations for October 2001 totaled 19,383 versus 27,390 for October 2000 for a 29.2% decrease. Year-to-date 2001 aircraft operations totaled 236,815 versus 247,419 for year-to-date 2000 for a 4.3% decrease.
- The number of vehicles exiting the terminal area public parking lots during October 2001 totaled 144,926 versus 208,234 for October 2000 for a 30.4% decrease. The year-to-date 2001 number of vehicles exiting the terminal area public parking lots totaled 1,996,845 versus 1,946,196 for year-to-date 2000 for a 2.6% increase.
- The number of taxicab trips taken during October 2001 totaled 12,281 versus 14,921 during October 2000 for a 17.7% decrease. The year-to-date 2001 number of taxicab trips taken totaled 112,304 versus 123,598 for year-to-date 2000 for a 9.1% decrease.
- Bookings for the Thanksgiving and Christmas holidays are very heavy and look good. As of November 1, RDU had 195 daily departures, with an additional seven to start up in the near future.
- Other US airports have not fared as well as RDU in terms of passenger bookings and activity. We have a lot to be thankful for and look forward to continued improvement in passenger activity.
- From a study by SH&E, Inc.: Among the major carriers, United Airlines has had the largest decline in service since September 11. Southwest Airlines has experienced the least decline in service. The average U.S. airline reduced its service by 15%. Most of the service reductions have occurred at large and small hub airports. RDU is a medium hub airport. Transcontinental service has been reduced by one-third. Across-the-board service reductions have been accomplished by cutting frequencies in high-density markets and by trimming early morning and late evening connecting banks at major hubs. The reduction in flying after September 11 is equivalent to grounding 800 jet aircraft. Internationally, nonstop service from the U.S. to Europe has been the hardest hit with 24 markets no longer served.
- Next week will begin the year-end holiday travel season. Availability of parking will be very good

for the holidays. Renovation of Park & Ride 3 is nearly complete, and it will offer 3,827 available spaces. Construction of Park & Ride 5 is nearing completion; the paving has been completed and temporary bus shelter canopies are up. Work should be completed by next week. Total spaces available in Park & Ride 5 will be 1,700 paved and 1,300 gravel spaces. A total inventory of about 17,000 spaces will be available.

- ANC Corporation, the parent company of Alamo Rental Car and National Rental Car, has filed for Chapter 11 bankruptcy protection. Both rental car companies have indicated their intention to continue operations at RDU.
- Governor Easley held a press conference at RDU today to welcome eight additional National Guard troops in response to President Bush's agreement to increase the Guard troops by 25% nationwide for 60-days through the holidays. The troops' activities are limited to being between the curbside of the terminal building and the concourse. Staff very much appreciates the assistance of the troops.
- Both houses of the Congress have passed versions of the Aviation Security Bill. The bill is now in the Conference Committee for finalization of the primary issue of the bill – whether the security checkpoint screeners will be required to be federal employees or continue to be private employees, or a combination thereof.
- Privately-owned vehicles are no longer permitted to park on the terminal aircraft ramps, including those of employees of government agencies.
- The Fitch rating agency reaffirmed RDU's bond rating of A+. Moody's affirmed the rating of A1, but changed the outlook from neutral to negative. This change is not unusual and has also been experienced by other airports. The change can be attributed to the decrease in flights since September 11, and Midway's filing for bankruptcy protection.
- The Authority is participating in the Center of Region Enterprise Study sponsored by the Triangle Council of Governments. The first meeting was held last week. Presentations will be held every two weeks until January 2002.
- The Authority also is participating in a study being conducted by the N.C. Department of Transportation whose emphasis focuses on the potential installation and utilization of high occupancy vehicle lanes on I-40. The study has now been expanded to include points of considerable traffic congestion. The DOT agreed to have their consultants study three different locations, two being the Aviation Parkway and Airport Boulevard interchanges with I-40. Plans are being considered to improve accessibility between the Airport and I-40.
- Customer Service & Organization Support Director Damiano reported the Authority recently launched a new public service campaign featuring over 100 billboards with the slogan, "Your Support Means The World To Us." This campaign is the Authority's way of thanking people for getting back in the air, while also acknowledging how important they are to the Airport's success. Fairway Outdoor Advertising of Raleigh donated the billboards and artwork. The billboards will be posted throughout the holiday season and can be seen throughout central and eastern North Carolina. They are part of a campaign that will include radio announcements, in-terminal advertising and holiday communications.

- Deputy Director Shackelford reported that a fourth magnetometer was being added to the security checkpoint in Terminal A. The unit will be online once the FAA calibrates it. American Airlines plans to add a third magnetometer to the checkpoint in Terminal C before the holidays. The addition of the magnetometers will greatly enhance the efficiency of the security checkpoints and improve customer service.

Member Teer made a motion, seconded by Member Toler to go into Executive Session.

Member Teer made a motion, seconded by Member Toler to return to Open Session.

Member Winston made a motion, seconded by Member Toler, to increase the base salary of the Airport Director to \$148,500 effective October 1, 2001. Adopted.

ADJOURNMENT - There being no further business, Chairman Gibbs adjourned the meeting.

Respectfully submitted,

J. Ray Sparrow, Secretary

CORRECT ATTEST:

Kenneth D. Gibbs, Sr., Chairman